

# United States Department of the Interior

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In Reply To:

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1520 (MT-060) P

November 23, 2004

## EMS TRANSMISSION

Instruction Memorandum No. IM-MT060-2005-003

Expires: 09/30/2006

To: Administrative Officers and Custodial Officers

From: Central Montana Zone Support Service

Subject: Requirements for Conducting Fiscal Year (FY) 2005 Personal Property Inventories

**Program Area:** Personal Property Management

**Purpose:** The purpose of this Instruction Memorandum (IM) is to:

- Inform Accountable and Custodial Officers of the annual requirement for conducting Personal Property inventories
- Reiterate the overall importance of conducting annual inventories
- Provide current instructions on how the inventories should be accomplished and identify contact points that will assist property managers in resolving inventory discrepancies
- Identify specific completion dates for all activities

**Policy/Action:** This IM transmits current policies and procedures for conducting annual Personal Property inventories for the Bureau of Land Management (BLM). It identifies requirements for the custodial property officers (CPOs).

It should be understood that if an audit of property accountability is accomplished, either by government employees or by an independent auditor (KPMG), the responsible CPO must be able to account for all items under his/her custodianship.

Because of our daily requirement to account for and manage personal property assets, and to prepare, submit, and validate through external audits our asset balances recorded in the Bureau's FY financial statements, no extension of the inventory due dates beyond March 15, 2005 can be granted.

General Requirements/Completion Dates:

It is critical that both the property manager/technician and the CPO work jointly and efficiently to accomplish all specific tasks during the entire inventory process. Procedures found in Attachment 1-3 are provided to assist in this effort and should be followed. Please review all attachments for applicability to your office.

Each CPO must complete a thorough and accurate inventory and submit it to Georgia Geigle MT065 by December 15, 2004. Initiation of any Reports of Survey, DI-103, for missing, lost, or damaged property should be prepared and submitted to the Board of Survey no later than the FY 2005 inventory completion date of March 15, 2005. All Fixed Assets (FA) system inputs or Certificates of Unserviceable Property, DI-103A, must also be completed by this date. A memorandum signed by the Accountable Officer stating that the fiscal year inventory has been completed should also be sent to the Property Operations Branch, BC-653, along with all supporting documentation prior to or by the March 15, 2005, deadline.

**Timeframe:** This IM is effective upon receipt.

**Budget Impact:** No budget impacts are anticipated.

**Background:** Continued emphasis is needed for both the timely accounting for all personal property assets upon initial receipt and the efficient disposition of obsolete/replaced asset(s).

This FY 2005 inventory IM emphasizes the need to maintain and properly account for all property during the inventory process. This inventory is an important component in identifying, reviewing, and recording the inventory status for all personal property assets. Close coordination with property manager and CPOs is required.

**Manual/Handbook Sections Affected:** BLM 1520 Personal Property Management Manual, 1520.06B7, Inventories.

**Contact:** For questions regarding the FY 2005 inventory requirements or for inventory discrepancies, please contact Georgia Geigle Administrative Assistant 1-406-538-1965.

Signed by:

Authenticated by:

Scott Haight  
Central Montana Zone  
Administrative Officer (Acting)

Linda Birdwell  
Lewistown Field Office  
Management Assistant

Attachment: Procedures to Conduct Inventory (4 pages)

Distribution:

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## PROCEDURES TO CONDUCT INVENTORY

### A - Accountable Officer's Function during the Inventory Process:

1. Ensures the inventory is conducted in a timely manner.
2. Ensures, by receiving feedback from the property manager (PM), that the reconciliation of all personal property items has been completed by custodial property officers (CPOs).
3. Ensures that the supporting documents are done to complete the inventory process (e.g, Reports of Survey, Available Property Reports, etc.).
4. Signs a completion memorandum submitted to BC-653 by the due date.

### B - Local Property Manager's (PM) Function during the Inventory Process:

1. Upon receipt of this IM, distributes it with the FA006 report and informs CPOs of the timelines.
2. Upon receipt of the CPOs' annotated changes on the FA006 report, updates the Fixed Assets Property System (FA).
3. Addresses the following issues:
  - a. If a property item is found but not on the report. (See D1 - Overage with FA Number).
  - b. If a property item is found with no FA Number. (See D2 - Overage without FA Number).
  - c. If a property item is on the report but cannot be found. (See D3 - Shortage).
4. Runs a new FA006 report for the CPO after all updates have been made.
5. Annotates property that was not entered into FA within the three-day time frame on the Control Register, including all pertinent information.

C - Custodial Property Officers' Functions during Inventory Process:

1. Upon receipt of the FA006 report, inventories the property items listed to ensure that they are in the possession of an employee in their organization.
2. Reviews the listing, ensuring the accuracy of the FA Number, cost, classification (description), serial number, manufacturer, etc.
3. If an item is not found, annotates the report with the information on what has happened to the item;
  - a. Was the item transferred,
  - b. Was the item disposed of, or
  - c. Was the item lost?
4. If an item is not on the FA006 report but is in the possession of an employee, annotates the report with the following information:

FA Number (if not numbered, the property manager will affix a FA Number to the item); type of item (laptop, GPS unit, radio, etc), manufacturer, serial number, how acquired, cost, and cognizant employee.

5. Upon completion of this review, signs and dates the form and returns it to the local PM.
6. PM will send an updated FA006 to each CPO. The CPO should review this report for final acceptance.
  - a. If there are any errors, CPO will notify the PM immediately.
  - b. If the report is accurate, the CPO will e-mail the PM to that effect.

D - Local Reconciliation. The reconciliation should include the following steps:

1. Overage with FA Number. When an item is found with an FA Number that is not on the FA listing, query the FANI Table in FA to determine if it is on another office's inventory. (When querying this table, be sure you blank out the FA type.)
  - a. If the item is on another office's records and the item will remain in your office, call that office and ask that they initiate a transfer of property (a T1 Document) for that item.

Attachment 1-2

b. If the query indicates that FA has no record of the item, check the Control Register and:

(1) If a receiving report is posted and the item was purchased in FY 2002/2003, enter the item into FA as a new acquisition.

(2) If a receiving report is not posted to the control Register, enter the item into FA using a Found on Inventory code (Acquisition Method C).

(3) If a record is found on the disposal side of the register, research the disposal document to determine what action should have been taken and then follow through with the action.

2. Overage without FA Number. If an item without a FA Number is found, check the FASI Table in FA to query by serial number. If the item is identified in FA, attach the correct FA Number to the item. Request a property tag be printed by BC-653 if you need a reprint of this specific property tag. If the item cannot be matched, assign a new FA Number. Enter the item into FA as a Found on Inventory code (Acquisition Method C).

3. Shortage. If an item is on the inventory listing but cannot be found, check if the item was previously subject to disposal action. If so, enter an FD transaction for that item to FA. If not, initiate a Report of Survey, Form DI-103. Process a Disposal Document (FD) to FA.

4. Corrections. Corrections affecting data within an accountable officer's area of responsibility can be made by that office. A phone call or coordination with BC-653 may be helpful.

5. Damaged FA Numbers. Replacements for illegible, marred, or damaged FA Number tags may be requested through BC-653.

6. Leased Property. All leased property must be controlled and inventoried if leased for 60 days or more.

7. BLM Property Held by Contractors, Grantees, and Federal Cooperators. BLM property held by contractors is identified in FA in the FLOC AND CORG table by the location of the item. It is the responsibility of the CPO to provide the contractor, grantee, or the cooperator with a printout of all property items requiring inventory. The contractor, grantee, or cooperator must conduct a physical inventory and respond with a letter or other similar certification providing the results of the inventory to the CPO.

This certification must include an affirmation that a physical inventory was taken, a listing by FA Number of the items found and in good condition, and an explanation of any losses or shortages. Send these differences to the property manager for updating to FA.

E - National Business Center. The National Business Center (NBC) is responsible for monitoring the status of all field office property management inventories for the WO, and for ensuring that property management inventories submitted by field offices reconcile with the Bureau General Ledger Control Accounts.

1. Field Office Inventory Completion Memorandum. The NBC review process is initiated upon receipt of a signed and dated memorandum from a field office accountable officer stating that the FY 2004 field office inventory is complete. Appropriate supporting documents must also be included with the memorandum.

2. All Personal Property Items in the FA System. BC-653 will run and review FA Reports No. FA012 (items to be inventoried) and RFA24 (items identified as disposal, transfers, or missing). If review of these reports indicates that all transactions are complete, BC-653 will send a memorandum to the appropriate field office stating that the FY 2004 inventory has been completed. If any FA transactions have not been completed, an e-mail will be sent describing the action to be taken to the accountable office property manager and their state office property manager.

3. Pending Transfer and/or Disposal Documents. Field office transfers (T1 documents) and disposals (FD documents) in reject/pend1 status need to be resolved during the current fiscal year.

4. Prior Disposal Documents. BC-653 will not send a completion memorandum if there are any previous fiscal year pending disposal documents.

5. Inventory Completion Certification. BC-653 will certify in writing to WO-850 the status of all FY 2004 inventories by the end of October 2004.

F - Accountability Certificate - Form 1520-9: This form is needed upon the arrival of a new accountable officer. The outgoing accountable officer will sign/date the top portion of the form, while the incoming will sign/date the bottom portion. The new accountable officer will be required to formally accept full accountability and responsibility for all controlled property in the Fixed Asset (FA) system. The incoming accountable officer may request a physical inventory before signing the accountability certificate. If a current form 1520-9 is not on file at BC-653 bearing the present accountable officers' signature, you will need to submit this form with your inventory.